

**frontier**

14450 Burnhaven Dr.  
Burnsville, MN 55306-4918  
612-435-3133

May 8, 1995

MAY 10 1995

Mr. William Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Pursuant to the Commission's Order in Docket 86-127 and the Commission's Report and Order in CC Docket No. 93-179 released on April 14, 1995 (Add-Back Order), attached is a revised Rate of Return Report (Form 492A) for Frontier Communications of Minnesota and Frontier Communications of Iowa. This revised report amends the March 31, 1995 submission to reflect the add-back adjustment as contained in the Add-Back Order.

If you have any questions, please contact me at (612) 435-1373.

Sincerely,

  
Jack D. Phillips  
Access Planning Manager

CC: Michael Shortley  
Jack Mungia  
Katie Rangos-FCC

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FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

RECEIVED

MAY 8 1995

Approved by OMB  
3060-0355

Expires 04/30/95

See reverse side for information regarding public burden estimate.

1. Name and Address of Reporting Company

Frontier Communications of Minnesota, Inc. and  
Frontier Communications of Iowa, Inc.  
(The Frontier Companies)  
14450 Burnhaven Drive  
Burnsville, MN 55306

2. Reporting Calendar Year

(A) From: To:  
1/1/94 12/31/94  
(B) First Report Filed:  
5/9/95 REVISED  
(C) Final Report Filed:  
Not Applicable

FCC 492A

PRICE CAP REGULATION  
RATE OF RETURN MONITORING REPORT

Read Instructions on the Reverse Before Completing

Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Column A	REVISED Final Report Column B	Difference Column C = (B - A)
1. Total Revenues	\$25,361	Not Applicable	Not Applicable
2. Total Expenses and Taxes	\$18,741		
3. Operating Income (Net Return)(Ln1-Ln2)	\$ 6,620		
4. Rate Base (Avg Net Investment)	\$33,693		
5. Rate of Return (Ln3/Ln4)	19.65%		
6. Sharing/Low End Adjustment Amount	(\$ 2,814)		
7. FCC Ordered Refund - Amortized for Current Period	NONE		

REMARKS

Frontier Communications of Minnesota, Inc. and Frontier Communications of Iowa, Inc. were formerly known as Vista Telephone Company of Minnesota and Vista Telephone Company of Iowa, respectively, prior to January 1, 1995. This first revised report includes \$532K of additional revenue for the sharing add-back, in compliance with DA 95-823 Paragraph 16 (1995 Revision Order).

**CERTIFICATION:** I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Typed Name of Person Signing	Title of Person Signing	Signature
5/3/95	Martin Mucci	Frontier Communications Treasurer	<i>M. Mucci</i>

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THIS REPORT FORM CAN BE PUNISHED BY FINE OR  
IMPRISONMENT UNDER THE PROVISIONS OF THE U.S. CODE, TITLE 18, SECTION 1001.

FCC 492A

## FCC 492A

### GENERAL INSTRUCTIONS

- A. This report is prescribed under the authority of Section 4(i), 4(j) and 205 of the Communications Act of 1934, as amended. FCC 492A shall be filed in duplicate with the Federal Communications Commission, Washington, D.C. 20554 by local exchange carriers (LECs) subject to Price Cap incentive regulation filing access tariffs before the Commission. A first report shall be filed no later than three (3) months after the end of a calendar year. A final report shall be filed no later than fifteen (15) months after the end of a calendar year showing adjustments to filed results since the first report.
- B. The data shall be aggregated at the same jurisdictional level as the tariffs.
- C. All instructions shall be followed. All questions and statements must be completed. If proper answer is "none" or "not applicable", insert that answer.
- D. Any data that requires clarification should be footnoted and fully explained in the Remarks section. If the space provided is not sufficient for the required data or it is otherwise necessary or desirable to insert additional statements or schedules, the insert pages should include the name of the respondent and the time period covered, in a style conforming as nearly as practicable to that appearing on the regular page.
- E. All amounts of money shall be shown in thousands of dollars. Losses or other negative items shall be shown in parenthesis. Price cap sharing amounts shall be shown in parenthesis as negative revenue adjustments. Lower formula adjustments shall be shown as positive revenue adjustments. Rates of return shall be shown to the nearest hundredth.
- F. Revenues should include revenues earned during the report period. Costs should also reflect those incurred in the report period.
- G. Revenues and costs associated with excluded services under Price Cap incentive regulation shall be excluded from reported data in this report and shall be footnoted and explained in the Remarks section.
- H. Total interstate services subject to price caps shall be defined as interstate access combined with interexchange services in accordance with FCC Docket 87-313 and the Commission's Price Cap Order dated September 19, 1990 and its Order on Reconsideration dated April 17, 1991.
- I. Interstate adjustments to rate base, expenses and revenues shall be based upon FCC Docket 86-497 and other related Commission orders, if applicable to the reporting entity.

### SPECIFIC INSTRUCTIONS

#### 3. Items

Line 1 - Total Revenues shall include service, revenues, interest during construction, if applicable, and miscellaneous operating revenues less uncollectibles.

Line 2 - Total Expenses and Taxes shall include operating expenses, depreciation, amortization, other expenses, interstate allowances and disallowances, if applicable, as well as all taxes. The method of calculating total expenses and taxes shall be in accordance with the ARMIS 43-01 Order, CC Docket 86-182, released July 20, 1990.

Line 4 - Rate Base (Average Net Investment) shall include accounts 2001, 2002, 2003, 2004, 2005, 1220, 1402, 1410, 1438, 1439, Cash and Working Capital as developed pursuant to CC Docket 86-197, less accounts 3100, 3200, 3410, 3500, 3600, 4100, 4340, 4310, and 4360. It shall also include interstate rate base allowances and disallowances, if applicable. The method for calculating Rate Base (Average Net Investment) shall be in accordance with the ARMIS Order, CC Docket 86-182, released July 20, 1990.

Line 6 - Sharing/Low End Adjustment Amount shall be calculated to reflect the Sharing/Low End Adjustment amount during the reporting period, which is due to the Sharing/Low End Adjustment made pursuant to Section 61.45(d)(1)(vii) or 61.45(d)(2) for earnings from the prior reporting period. Computation of this amount shall be explained in the Remarks section.

Line 7 - Use the following table to calculate the after tax effect of an FCC ordered refund.

- |                                  |       |
|----------------------------------|-------|
| 1. FCC Ordered Refund Total      | _____ |
| 2. Refund for Period (amortized) | _____ |
| 3. Tax Rate                      | _____ |
| 4. Refund adjusted for taxes     | _____ |

**NOTICE TO INDIVIDUALS** - FCC 492A is needed to provide this Commission with data required to fulfill its regulatory responsibilities with respect to interstate telephone service under Title II of the Communications Act of 1934, as amended. Information from the FCC 492A is used, for example, to measure whether the rate of return earned by the carriers exceeds the limits imposed by this Commission, and selected data from the FCC 492A are tabulated and released by the Commission. Your response is mandatory.

Public reporting burden for this collection of information is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Federal Communications Commission, Records Management Division, Washington, D.C. 20554, and to the Office of Management and Budget, Paperwork Reduction Project (3060-0355), Washington, D.C. 20553.

The foregoing Notice is required by the Privacy Act of 1974, P.L. 93-579, December 31, 1974, 5 U.S.C. 552(a)(3), and the Paperwork Reduction Act of 1980, P.L. 96-511, 44 U.S.C. 3504(c)(3).

4-18-95

See reverse side for information regarding public burden estimate.

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14450 Burnhaven Drive  
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2. Reporting Calendar Year

(A) From: 1/1/93 To: 12/31/93  
(B) First Report Filed: 3/31/94  
(C) Final Report Filed: 5/09/95

FCC 492A

PRICE CAP REGULATION  
RATE OF RETURN MONITORING REPORT

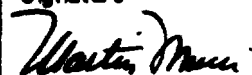
Read Instructions on the Reverse Before Completing  
Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price Cap Regulation		
	First Report Column A	Final Report Column B	Difference Column C = (B - A)
1. Total Revenues	\$23,990	\$23,990	0
2. Total Expenses and Taxes	\$18,280	\$18,280	0
3. Operating Income (Net Return)(Ln1-Ln2)	\$ 5,710	\$ 5,710	0
4. Rate Base (Avg Net Investment)	\$38,083	\$38,083	0
5. Rate of Return (Ln3/Ln4)	14.99%	14.99%	0
6. Sharing/Low End Adjustment Amount	\$812	\$812	0
7. FCC Ordered Refund - Amortized for Current Period	None	None	0

REMARKS

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Date 5/2/95	Typed Name of Person Signing Martin Mucci	Title of Person Signing Frontier Communications Treasurer	Signature 
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